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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 001076

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E.O. 12958: DECL: 05/14/2032
TAGS: [PGOV](#) [TW](#)
SUBJECT: KMT WINS KEELUNG MAYORAL RACE, CLOSE TO
NOMINATIONS DEAL WITH PFP

REF: A. TAIPEI 0841

[1](#)B. TAIPEI 1069

Classified By: AIT Director Stephen M. Young, Reason(s): 1.4 (B/D).

[1](#)1. (C) Summary: KMT candidate Chang Tong-rong won the mayoral by-election in Keelung City on May 12, defeating PFP legislator Liu Wen-hsiung, who ran as an independent, by 19 points. Liu congratulated Chang on his victory, and pledged to offer his assistance. KMT Vice Chairman John Kuan told AIT that the KMT and PFP have put the contentious Keelung mayoral race behind them and have finished "ninety percent" of an agreement to share nominations for this December's Legislative Yuan elections. PFP legislator Daniel Hwang told AIT the agreement is moving forward because the KMT, faced with a united DPP, "has no other choice." End Summary.

KMT Wins in Keelung

[1](#)2. (U) Keelung City voters went to the polls on May 12 to cast votes in a mayoral by-election, required by the death of Mayor Hsu Tsai-li in February. The KMT and PFP had agreed after Hsu's death to use a two-step primary process to elect one "Pan-Blue" candidate, but the agreement fell apart in early April. Chang received the KMT nomination, and Liu decided to run as an independent. In ref A, AIT discussed whether the split would harm prospects for Pan-Blue unity in the run-up to this December's LY election.

[1](#)3. (U) KMT Keelung City Council speaker Chang Tong-rong won the election with 47 percent of the vote, defeating PFP legislator Liu Wen-hsiung by a margin of 19 points. Voter turnout was unexpectedly low, at just over 40 percent of the eligible voting population. The DPP candidate Shyh Shyh-ming placed third, with 23 percent of total votes cast.

[1](#)4. (U) Chang announced his victory before the polls had closed. In his concession speech, Liu urged the mayor-elect to honor his campaign promises, and offered his assistance to Chang in the future. According to press reports, a small crowd of Liu's supporters in Keelung City were less conciliatory, threatening to vote for DPP presidential candidate Frank Hsieh over KMT nominee Ma Ying-jeou.

Pan-Blue Cooperation Just Around the Corner?

15. (C) KMT Vice Chairman John Kuan (Kuan Chung) told the Deputy Director on May 14 that the KMT and PFP have completed "ninety percent" of the work on an agreement to share nominations for this December's Legislative Yuan (LY) elections. Progress has been possible, Kuan continued, because PFP legislators have realized they have virtually no chance of surviving the next election without KMT financial and political support. Ironically, Kuan argued, PFP legislators like Liu Wen-hsiung sometimes enjoy higher approval and popularity ratings than their KMT counterparts, but voters don't vote for them because everyone knows the PFP is no longer viable. Kuan asserted that PFP Chairman James Soong is so confident that a nomination-sharing agreement will be reached that Soong departed Taiwan for the U.S. on May 7, leaving the matter to his deputies. (Note: Press reports say Soong is expected to return in August. End note.)

16. (C) PFP legislator and policy director Daniel Hwang (Yih-jiao) told AIT on May 14 that nomination-sharing negotiations with the KMT "are on the right track," and a final agreement should be reached in the near future. The KMT is willing to compromise, Hwang argued, because Ma Ying-jeou and KMT Chairman Wu Bo-hsiung recognize that a divided Pan-Blue could lose many legislative seats to a united DPP. Thus far, Hwang continued, the KMT has agreed to reserve four district and two at-large nominations for PFP candidates, and could agree to two more districts and one more at-large seat in the next week or so.

17. (C) Hwang complained that just two weeks ago, it appeared that he would be representing the Pan-Blue in one of the three districts in Taichung; now, it appears he may have to face a primary against KMT legislator Hung Chao-nan. Hwang

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said KMT political leaders in Taichung pressured the KMT Central Standing Committee (CSC) to reconsider its original promise to him. (Comment: KMT Taichung Mayor Jason Hu told the Director on May 11 that he had threatened to publicly criticize the CSC for disregarding the wisdom of local political leaders in choosing legislative candidates -- see ref B. Hwang's predicament suggests the CSC took Hu's threat seriously. End comment.)

Comment

18. (C) The KMT and PFP seem to have reached their respective bottom lines on nomination-sharing. Barring some unforeseen rift between the two parties, the KMT seems willing to give, and the PFP willing to accept, six district and three at-large nominations for December's LY election. Party leaders have not discussed the particulars of unifying the two parties, but this could be little more than a technicality if the PFP nominees agree to run under the KMT banner.

YOUNG